IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

SPECIAL CIVIL APPLICATION No 10157 of 1999

For Approval and Signature:

Hon'ble MR.JUSTICE PRADIP KUMAR SARKAR

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

GUJARAT STATE ROAD TRANSPORT CORPORATION

Versus

RAJNIKANT VITHALDAS SUTHAR

Appearance:

MR HS MUNSHAW for Petitioners

MR GK RATHOD for Respondent No. 1

CORAM : MR.JUSTICE PRADIP KUMAR SARKAR

Date of decision: 14/06/2000

ORAL JUDGEMENT

Rule.

#. Mr. G.K.Rathod learned counsel appearing on

behalf of the respondent waives service of notice of Rule on behalf of the respondent.

#. The respondent Rajnikant Vithaldas Suthar was working as a conductor under the Gujarat State Road Transport Corporation (hereinafter referred to as the Corporation). While in service in the year 1986 he was found to be involved in financial irregularity and accordingly a charge sheet was framed and a departmental inquiry was started against the respondent. The charges are proved against the respondent and the Disciplinary Authority reduced the pay of the respondent by 9 stages i.e. from Rs. 408/- p.m. to Rs. 265/- p.m. Against the order of the Disciplinary Authority the respondent filed an Appeal which was dismissed by the Competent Authority and thereafter he filed Second Appeal which was also dismissed. Having felt aggrieved by the order of penalty the respondent moved the Industrial Tribunal and a Reference (IT) No. 724 of 1989 has been registered. The Industrial Tribunal, Ahmedabad after hearing the parties and after considering the evidence adduced the penalty of two stages has been reduced. As a result of the reduction of pay of two stages the respondent became entitled to various payment. The respondent made a demand to the petitioner Corporation for the payment of difference of pay which was not paid by the corporation. As a result the respondent filed Recovery Application No. 545 of 1996 before the Labour Court, Himatnagar for recovering the amount. The Labour Court, Himatnagar passed an order on 12.1.99 for payment of Rs. 41,083/- alongwith interest at the rate of 18 percent from the date of the award dated 27.8.1992. The petitioner Corporation having felt aggrieved by the order of the Labour Court, Himatnagar filed the present Special Civil Application.

#. I have heard Mr. H.S.Munsha the learned counsel for the Corporation and also Mr. G.K.Rathod learned counsel for the respondent. The learned counsel for the petitioner corporation submitted that the interest awarded by the Labour Court is unreasonably high. The learned counsel for the petitioner corporation also submitted that the Corporation is liable only for payment of principal amount without any interest. The learned counsel for the petitioner further submitted that the Corporation has already paid a Sum of Rs. 56,033/- to the respondent as difference of pay as back wages and nothing is due to the respondent. The learned counsel for the respondent submitted that difference of pay has already been worked out. The learned counsel submitted that a Sum of Rs.. 41,087/- is due to the respondent as

arrears of salary and in addition to this he is also entitled to interest at the rate of 18% on this amount from 27.8.1992. It appears that the Labour Court has awarded interest at the rate of 18% and I am of the view that said rate of interest awarded by the Labour Court is on higher side. Now-a-days the Reserve Bank of India gives interest at the rate of 10.5 percent on FDRs. Therefore, I am of the opinion that the interest at the rate of 10 percent will met the ends of justice and accordingly the award of the Labour Court, Himatnagar is modified to the extent that instead of 18 percent interest the petitioner corporation will pay interest at the rate of 10% to the respondent on Rs. 41,087/- from 27.8.92 till the date of payment. The amount of Rs. 56,033/- already paid by the petitioner corporation to the respondent is to be adjusted against the total amount due to the respondent. With the aforesaid modification the petition is partly allowed. Rule is made absolute to the aforesaid extent. No order as to costs.

(P.K.Sarkar.J)

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